

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY Hungary

REPORT

SUBJECT

1. Economic Tasks Assigned by CEMA
2. Military Notes: (*underground arms dump, modernization of airfield pilot + parachute training*)

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tasks

assigned to Hungary by CEMA, principally in connection with Hungary's new five-year plan. The list includes sketchy information on the following subjects:

- a. construction of a 550-megawatt thermal power station at Szazhalombatta,
 - b. oil production,
 - c. natural gas field and pipeline,
 - d. chemical plant at Tiszapalkonya,
 - e. industrial decentralization,
 - f. roads and railways,
 - g. manufacture of heavy tractors and telecommunication equipment,
 - h. shipping.
2. In addition to the above subjects, this report mentions the construction of an underground arms dump at Csaszar, modernization of an airfield at Hajduszoboszlo for pilot training, and popularization of an eight-month parachute training course at Kiev for youths 16 to 20.

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HUNGARYECONOMIC/MILITARY/AIRC.M.E.A. Programme for Hungary.

1. The following are tasks allocated to Hungary by C.M.E.A., mostly in connection with the next five-year plan:-
2. Power Station. Construction of 550 Megawatt thermal power station (the DUNAMENTI ERŐMŰ) at SZAZHALOMBATTA, fuelled by Pakura oil to be supplied by pipeline from the U.S.S.R. The Pakura oil is being supplied by the U.S.S.R., because the quantities needed will exceed Hungarian production, and moreover the Soviet Pakura is lighter in weight than the Hungarian. The U.S.S.R. will be responsible for the technological design and for delivery of three 150 Megawatt units. The Hungarians will supply two 50 Megawatt units (built by GANZ), and the thermal equipment, to be designed by Gusztav FABRY, of ERŐTERV (Power Planning Bureau).
3. Oil.
 - a) Drafting of an oil production plan for the next fifteen years in cooperation with Rumanian oilfield experts. The Rumanians will be responsible for the oil production, and the Hungarians for the transport, chiefly by waterways.
 - b) Hungarian oil production is to be further developed. It at present exceeds one million metric tons per annum.
4. Natural Gas.
 - a) Construction of natural gas pipeline from NYITRA in Czechoslovakia to GYOR. The reason for this is that Czechoslovakia has a natural gas production of 800 million cubic metres per annum, of which more than half is surplus. This surplus will be divided between Poland and Hungary.
 - b) Note: A new natural gas field described as "fantastically large" has been discovered during the last month on the outskirts of HAJDUSZOBOSZLO in Hungary, where the existing natural gas wells were running out.
5. TISZAPALKONY Chemical Combine. This chemical plant, 31 miles west of NYIREGYHAZA, which was designed some years ago, but

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the building of which was held up, is now under construction.

6. Decentralisation of Industry. Preparation of a decentralisation plan for industry, whereby industrial centres will be moved away from railway junctions, and factories dispersed throughout the country.

7. Railways.

a) Conversion by the MAV of 170 miles of strategically important single-track line to double track. The first stage will be the 40-mile line between VAMOSGYÖRK and UJSZASZ, to link up the BUDAPEST-MISKOLC and BUDAPEST-SZOLNOK-DEBRECEN main lines.

b) Acceleration of electrification of BUDAPEST-HATVAN-MISKOLC line (110 miles).

8. Roads.

a) Construction of strategic transverse motorway, 188 miles long, from DEBRECEN to BAJA via SZEGED, through the Great Hungarian Plain.

b) Note: The strategic motorway 17 miles long from PAPA to VAROSLÖD was recently completed. This motorway runs through the BAKONY via FARKASGYEPÜ-VAROSLÖD-BAKONYJAKO-TAPOLCAFÜ-TAKACSI-GYARMAT. The work took eight months to complete, and involved the movement of 150,000 cubic metres of earth.

9. Underground arms dump. Construction of six-storey underground arms dump at CSASZAR, near TATABANYA. Capacity to be 250 wagon-loads of infantry weapons and ammunition. Work has already started.

10. Heavy tractors. Increase in the manufacture of heavy tractors. The manufacture of agricultural tractors is to cease.

11. Telecommunications apparatus. Increased manufacture of telecommunications apparatus, through the agency of the Research Institute.

12. Shipping.

a) Enlargement of MAHART shipping undertaking, and extension of services to CHINA by the end of 1964.

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b) Purchase of two 10,000 BRT cargo vessels, not more than three years old, for the China service.

c) Construction of eight 1,300 BRT river and seagoing vessels, and two 4,000 BRT seagoing vessels.

d) Building of graving-dock in connection with the increase in river and maritime navigation.

13. Pilot Training. Modernisation of the gliding field at HAJDUSZOBOSZLO, to provide for pilot training on engined aircraft.

14. Parachute Training. Popularisation of the eight-months parachute training course at KIEV, amongst boys and girls aged 16 to 20.

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